

1 Q. Reference: Page 3.26.

2 Please provide details on the \$7.9 million in “interest earned on the sinking funds  
3 compared to the 2006 GRA”. Indicate the interest forecast to be earned in the 2006  
4 GRA, and in each case indicate the content of the sinking funds and the earnings  
5 rate.

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7  
8 A. The increase in interest earnings in the 2014 and 2015 Test Years (\$4.6 million and  
9 \$2.0 million respectively) vs. the 2007 Test Year (\$11.4 million) is driven by an  
10 increase in the capital base of the fund. Earnings are less than the 2013 Actual due  
11 to the maturity of the Series X sinking fund in June of 2014.

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13 [ ] Please refer to the following table:

\$ millions	31-Dec-06	31-Dec-07	31-Dec-08	31-Dec-09	31-Dec-10	31-Dec-11	31-Dec-12	31-Dec-13	Forecast	
									31-Dec-14	31-Dec-15
Change in book value										
Book value of sinking funds	173.6	193.1	213.9	235.9	259.3	283.9	310.1	337.6	235.5	256.8
Year over year change in book value		19.5	20.8	22.0	23.4	24.6	26.2	27.5	(102.1)	21.3
Explained as follows										-
Earnings in the year		11.4	12.6	13.8	15.2	16.4	18.0	19.3	16.0	13.4
Additions to fund		8.1	8.2	8.2	8.2	8.2	8.2	8.2	8.2	7.9
Redemptions from fund		-	-	-	-	-	-	-	(126.3)	-
		19.5	20.8	22.0	23.4	24.6	26.2	27.5	(102.1)	21.3
Annual average earnings										
Earnings		11.4	12.6	13.8	15.2	16.4	18.0	19.3	16.0	13.4
Average book value		193.1	203.5	224.9	247.6	271.6	297.0	323.9	286.6	246.2
		5.90%	6.19%	6.14%	6.14%	6.04%	6.06%	5.96%	5.58%	5.44%

14 [ ]